

**From Promises to Performance:
An Analysis of Political Manifestos, Program, and Budget 2004 –2005**

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Every political party that comes into power in India begins by promising to do certain activities to improve the state of the nation, if it comes to power. This is its manifesto. When, and if, it actually comes into power, it has to deliver on those promises by putting public money where its mouth is. This is the budget. In recent times, this exercise has become more complicated by the fact that it is alliances of parties that are coming into power, since no single party can make it on its own. Hence, in between the manifesto and the budget, the alliance of parties has to also hammer out a common minimum programme (CMP) – which may not totally conform to the manifesto of any of the parties constituting the alliance.

In this paper, I look at the manifestos of some of the parties issued before the elections of May 2004, in an attempt to compare them to understand what may or may not have appealed to the electorate. Then the CMP is analysed to assess whether the separate manifestos of those parties, which eventually formed the United Progressive Alliance (UPA) government, were clubbed together to make the CMP, or there were elements that had to be borrowed from the manifestos of the supporting parties. Finally, the recent budget is dissected to see which of the promises are actually supported by specific financial allocations. It should, however, be noted that the budget merely indicates broad policies. The real intentions of the ruling alliance will be known only when the Planning Commission makes the detailed sub-sectoral allocations.

Much has been written in the media about the views of the corporate and affluent sectors on these matters, with an almost mystic emphasis on the vagaries of the Sensex – as if that represented the health of the nation. Hence, in this paper I shall try and focus on what may be the perspective of those who actually labour for a living. The broad areas covered would be the generation and protection of employment, both in the unorganised as well as organised sectors; the promises made regarding agriculture, including farm labour; and the views on how to strengthen the ‘weaker’ sections, including women, children, dalits, tribals, and other ‘minorities’. Since there appears to be a political consensus that what may be required is “liberalisation with a human face”, some attention would also be paid to some of the other policies that impact on the working poor.

Promises

It would be instructive to begin with the manifestos of the Bharatiya Janata Party (BJP) and the Telugu Desam Party (TDP), to understand why, in spite of their tremendous confidence, the National Democratic Alliance, supported by the TDP, did not win this election. The BJP, for instance, admitted that jobs in government and organised industry were shrinking, but asserted – perhaps, somewhat unrealistically – that its government had created 84 lakh employment and self-employment opportunities every year in the services and unorganised sector. The TDP echoed the

belief that 50 lakh jobs could be created in the services sector alone. Hence, for both these parties, if the high rate of growth in GDP could be sustained, then with some additional support in credit, training, social security, and food-for-work, adequate self-employment could be generated and poverty eliminated in 10 years.

In agriculture, the BJP promised to launch a “second green revolution”, both to meet growing domestic demand, as well as to emerge as an important global player. Increases in farm productivity, crop diversification, promotion of dairy, poultry, horticulture, floriculture, sericulture, and their associated processing industries, and strengthening of support services were to form integral parts of this revolution, as was the effective empowerment of Panchayati Raj institutions. The TDP reinforced the ideas of modernisation and mechanisation as well as price stabilisation in its proposed Rs 10,000 crore package. In addition, it proposed the development of food parks and food processing clusters, within specified agro-processing and export zones. Both parties believed that such a technological thrust would create sustainable employment with minimum wages and lift the agricultural worker above the poverty level.

Similarly, for industry, the TDP promised an Industrial Infrastructure Development Fund of Rs 100 crores and the development of special Economic and Industrial zones. The rapid development of affordable power and quality roads was high on its agenda. Quite expectedly perhaps, its manifesto had nothing to say about employment or labour welfare in either the organised or the unorganised sectors. The BJP, while focusing on reforming government to make India a global manufacturing hub and putting the country at the centre of the knowledge economy with government support, also added that it would support cottage industries by improving their linkages with domestic and export markets. It too, had nothing to say about what it proposed to do to ameliorate the lot of workers in manufacturing and services.

The BJP perceived women’s empowerment would emerge out of 33% reservation in the legislatures, a national childcare plan, decent wages, and greater career opportunities. It, therefore, focused on the education of the girl child, reducing infant and maternal mortality, ending malnutrition, and the elimination of child labour. The TDP seemed to share this vision, particularly with respect to women’s self-help groups. While the TDP specifically mentioned Rs 1500 crores for the welfare of Scheduled Castes (SC) and Scheduled Tribes (ST) in its manifesto, the BJP only promised to improve the SC/ST National Commissions and filling up the backlogs in reservations for the purposes of social justice and harmony, as well as the need for regularisation of land and forest rights for tribals. Clearly this package of modernisation with no real protection for the vulnerable people did not carry much electoral appeal.

Counter Promises

The Indian National Congress (INC), which now heads the UPA government, and the Dravida Munnetra Kazhagam (DMK) are apparently much more articulate about the concerns of the poor and the weak. Thus the INC, in its manifesto, committed itself to expand employment in the organised sector and promote employment-intensive growth, even while calling for vastly expanded credit for self-employment in services. It even promised an employment guarantee for 100 days on asset-creating public works. The DMK took a similar stand with respect to creating jobs in the government

sector and self-employment schemes, with particular emphasis on the educated unemployed, with a proposed million women village workers along with another million road workers. Furthermore, it promised national measures for labour welfare in line with the schemes it had implemented in Tamilnadu.

The INC spelt out an Agriculture First strategy, along with co-operative rural credit, easing the debt burden, increasing the coverage of small and marginal farmers, agro-processing and other agriculture-related activities, fair prices, minimum wages, and land to the landless. National rainwater harvesting and development of irrigation were prioritised, while all funds for poverty alleviation and rural development were to be credited directly to panchayat bodies. An Agricultural Stabilisation Fund was proposed to increase the profitability of agriculture in tandem with a long-term export policy for agricultural products, so that the sector could contribute significantly to an anticipated 10% rate of growth in the economy. The DMK too called for a Minimum Support Price, relaxation of regulations in power distribution, and the commercial production and conservation of processed food. In addition, it sought to protect farmers from floods and droughts, and from the impact of WTO conditionalities.

The INC appeared to agree with the BJP that Indian industry would be encouraged to enhance its global presence, with incentives for boosting private investment. It concurred in the applications of IT, and the modernisation of household and artisanal industry. But it asserted that the public sector would be strengthened in key sectors as a venture capitalist and private-public energies would be fostered, particularly for strengthening infrastructure. At the same time, support would be provided to unorganised enterprises and laws would be enacted to protect labour and safety. The administration would be revamped to make it more performance-oriented and accountable. As a regional party, the DMK went a step further to outline sectoral steps for weavers' welfare through removal of excise duty on powerlooms and restricting export of cotton yarn; and for fishermen's welfare with a national savings scheme, improvement of ports, and protection from harassment. It also suggested that the \$100 billion foreign exchange reserve could be used to improve infrastructure.

Apart from reservations in legislatures, the INC suggested that 30% of all local government funds would be for the development of women and children. It shared the TDP's vision of village women associations, who would assume responsibility for drinking water, sanitation, primary education and health, nutrition, biogas, and farm forestry. This was to be accompanied by a major expansion of micro-finance based on self-help groups. The INC manifesto further promised reservations for backward sections among minorities, a reasonable share of jobs in the private sector for SC/ST, along with land redistribution and new strategies for sustainable livelihoods. The DMK, on the other hand, opposed economic criteria for reservations while endorsing the idea of equal opportunities in education and employment. Thus, these parties seem to have successfully appealed to the interests of large sections of the unemployed, the workers and the peasants, and the weaker sections.

'Alternative' Promises

The manifestos of the Communist Party of India (CPI) and the Communist Party of India-Marxist (CPM) both spoke of an alternative path of development and carrying out a struggle for alternative policies, although it was left to the electorate to interpret

what these alternatives were. Making clear where their constituency lay, the Left parties alleged that neither of the alliances, led respectively by the BJP or the INC, had the perspective or ability to better the lot of the mass of the Indian people. In the realm of employment, both called for establishing the right to work as a fundamental right, and for investing in public works that would create fresh employment as well as provide food-for-work. While the CPM added that the freeze on recruitment to government jobs should be scrapped, both parties seemed to realise that the State could not provide enough direct employment, and so joined the other parties in pledging to ensure adequate credit for self-employment schemes.

In the agricultural sector, both the Left parties echoed the INC demand for land reforms with the distribution of surplus land to the landless, with the CPM providing an additional thrust for joint title deeds for women. The CPM also charted out a course for increased public investment in agriculture and its infrastructure to achieve self-sufficiency in foodgrains production, as opposed to the BJP's and TDP's vision of export-oriented crop diversification. It opposed sale of land to foreign companies but had no objection to encouraging animal husbandry, pisciculture, poultry farming, and sericulture as part of the improvement of the farming community. Both the CPM and CPI agreed with the INC that agrarian production and productivity could be boosted through technology applications, and promised remunerative prices for agricultural produce and cheap agricultural credit to farmers. The CPI also focused on minimum wages, social security, and welfare measures for agricultural workers.

The CPM agreed with the need for increased investment in infrastructure (power, communications, and transport), as proposed by both the TDP and the DMK, but it proposed a review of the power and telecommunications policies. The CPM also insisted on the strengthening of the public sector, while protecting domestic industry from imports and takeovers, and selectively encouraging the private sector in new productive areas. Both the Left parties had no differences with the other parties in asking that small-scale industries be provided with cheap credit and marketing facilities, while the traditional sectors had to be protected. But both emphasised the requirement of minimum wages for workers in the unorganised sector. The CPM called for the revival of sick units, enforcement of labour laws, protecting trade union rights, higher provident fund interest rates, and workers' participation in management. The CPI firmly opposed the TDP's proposal to create Special Economic Zones, arguing that these weakened workers' rights.

One-third reservation for women and laws for protection against sexual harassment and violence figured in the manifestos of both the Left parties, as well as equal property rights and wages. The CPM opposed coercive population control and hazardous contraceptives, while agreeing to the need for credit and marketing assistance to self-help groups. The CPI supported the demand for free secondary level education for girls. Both came out strongly in favour of prohibiting child labour and abolishing untouchability, reservations for the minorities, and protecting the rights of tribals and dalits. While the CPI wanted autonomy for the scheduled areas, the CPM felt that the panchayat system should be extended to the fifth and sixth schedule areas. Both were in favour of electoral and judicial reforms to ensure greater accountability, and the promotion of secular values. Thus, the conception of an "alternative" path of development for the Left parties was linked to the need to protect their base amongst the workers and peasants, and this subsequently paid them rich political dividends.

Consensus and Commitment

The CMP of the UPA government is a document that reveals what was the consensus that was forged between the allies and the supporting parties for governance. But the budget is the real indicator of the commitment to fulfil the promises made in the CMP. Thus, the National Employment Guarantee Act in the CMP, for creating 100 days of employment in asset-creating public works, is essentially an INC proposal, but meets with the endorsement of the DMK and the Left parties. However, the 2004-2005 budget does not incorporate it at all and only promises a food-for-work programme in 150 of the most backward districts. While Rs 6,000 crores has apparently been set aside for this programme, in fact it is at the cost of a 52% cut in the Sampurna Gramin Rozgar Yojana, entailing a saving of over Rs 5,000 crores. This is a far cry from the Right to Work demanded by the Left.

In agriculture, the CMP says that public investment will be stepped up, with irrigation as a priority, and rural co-operative credit doubled. There will be minimum wages for farm labour and the farmer will be protected from imports. Dryland farming, watershed and wasteland development, and water management will be encouraged along with crop and livestock insurance. This is not only part of the INC manifesto, but an amalgamation of the demands of all the other supporting parties. This seems to be in contrast to the manifestos of the BJP and the TDP that were in favour of much more modernisation, diversification, and competition in agriculture. However, while the budget gives no new support to agriculture, diversification has suddenly gained approval and Rs 8,000 crores set aside for a Rural Infrastructure Development Fund. While credit enhancement through private institutions has been accepted, the revitalisation of co-operative credit has been rejected. The agri-business lobby, promoted by the private M S Swaminathan Foundation, has led the Finance Minister to promise support to a Small Farmers Agri-business Consortium.

As for industry, the CMP promises support to the services sector, impetus to textiles and jute, credit for small-scale industries (SSI), and modernisation of village industries, with a national fund for the unorganised, informal sector. While bowing to pressure from the Left that successful Public Sector Enterprises (PSEs) not be privatised, it still advances a kind of 'transparent' privatisation with private sector assistance. It reinforces the Left's demand for protecting labour. In other words, it is a mish-mash constituted out of the various manifestos of the UPA and its supporting parties, while stopping short of the BJP vision of making India a global player. But the budget provides the real intent by dropping 85 items from the SSI reserved list in order to promote competitive business while the Rs 10,000 crores promised for modernisation finds no mention. Instead of a National Commission, there is now the Investment Commission and the National Manufacturing Competitive Council. The revival of PSEs is to be attempted through disinvestment, and even closure. The target is clearly to promote exports through special zones, liberalise foreign investment, and adopt flexible labour laws.

With regard to the needs of the vulnerable groups, the CMP supports one-third reservation for women and laws against violence and discrimination, which is consistent with all the party manifestos. From the INC, it borrows the idea of turning over the responsibility for basic services to women's associations, and from the other

parties it adopts the elimination of child labour and special care for the girl child. The rights of tribals, reservations for the weaker sections, and the revival of the National Integration Council are also part of the agenda, as are administrative reforms. But, once again, the budget belies many of these aspirations. Only an additional Rs 10,000 crores (out of a total of about Rs 480,000 crores) has been set aside for the CMP. The Public Distribution System appears to have been abandoned although there is a paltry Rs 40 crores as health insurance for the poor. The labour allocation has been marginally increased from Rs 835 to 924 crores, while subsidies are down from Rs 48,636 crores to Rs 42,021 crores. Revenue expenditure (or expenses on government) has been reduced, transferring responsibility for social sector spending to the banks, financial institutions, and multi-lateral agencies.

Bare Essentials

What is it, then, that we can see from this whole exercise? Is there any meaningful restructuring occurring that is going to make things easier for the working population, both in rural as well as urban areas? Are policies changing and programmes coming into place that will give the farmer, the daily wager, the tillers of soil and the drawers of water a little more space to breathe easier and give their children a better future? The answers are not easy to come by, particularly because what is said often differs significantly from what is done. What we hear from the manifestos essentially throws light on some of the basic differences between the main parties constituting the two alliances and those on the Left of the political spectrum. The BJP and the TDP have argued for a continuation of the liberalisation policies that they were pursuing earlier, in the firm belief that eventually development benefits would trickle down to the poor. The INC and the DMK have stepped back a bit to accept that globalisation by itself may not be good enough and affirmative action is required to provide it with a “human face”.

The CPM and the CPI have called for ‘alternative policies’, but appear to be caught between their commitment to their political constituencies, their faith in technology and modernisation, and their need to keep the communal forces at bay. The CMP is clearly a document that tries to reconcile contradictory pressures and demands while providing the “human face”. But the budget is the indicator that much of this may be a mask that hides the real intentions of proceeding further with cutting back on State investment, privatising the profitable areas of the economy, letting market forces determine where priorities are going to lie, and encouraging self-help groups and non-government organisations to take over the delivery of services. In fact, it demonstrates that the competitive world of global capital and the basic needs of labour have little in common; that they stand in direct opposition to each other in the allocation of resources; and that “alternative” pro-people policies require fundamental changes that cannot be accommodated within the present structure of parliamentary democracy. The vulnerable society is, once again, being beguiled into yet another exercise of “feeling good”.